

STATE OF COLORADO

Department of Local Affairs

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ENVIRONMENTAL RELEASE OF FUNDS USING NEIGHBORHOOD STABILIZATION PROGRAM (NSP) FUNDS

Introduction

A Grantee may not incur program costs for a grant until there is a mutually executed contract and the Department of Local Affairs (DOLA) has issued an Environmental Release of Funds (ROF) letter. HUD regulations contained at 24 CFR Part 58, Section 58.22, prohibit a recipient and any participant in the development process, including public or private nonprofit or for-profit entities, or any of their contractors, from committing HUD assistance until DOLA has approved the recipient's request for release of funds (RROF) and related certification from the Grantee.

Grantees must discuss **pre-award** expenses with their Developer before conducting appropriate activity. The following are eligible pre-award expenses and may be obligated prior to an executed contract and reimbursed only after the appropriate ROF has been obtained:

Types of Activity	ROF Classification	Type of ROF process required	DOLA form(s)	Publication required
Architectural, Engineering and/ or Environmental Studies	Exempt	Grantee discuss with Developer	Exhibit IV-A Finding of Exemption http://dola.colorado.gov/dlg/fa/cdbg/docs/guidebook/PF05ENVEXH-A.pdf	No publication required

Earnest/ Option Money, Appraisal Costs	Categorically Excluded Not Subject to 24 CFR 58.5	Grantee discuss with Developer	Exhibit IV-B Categorically Excluded Projects, Statutory Checklist http://dola.colorado.gov/dlg/fa/cdbg/docs/guidebook/PF05ENVEXH-b.pdf ; and Exhibit IV-C Instruction and Information on Completion of the Statutory Checklist http://dola.colorado.gov/dlg/fa/cdbg/docs/guidebook/PF05ENVEXH-C.pdf	No publication required
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The following activities **may not** be obligated prior to an executed contract. Grantees should become familiar with the environmental review guidelines section of the CDBG Guidebook, located on the DOLA website at www.dola.state.co.us/LGS/FA/CDBG/CDBG-guidebook.htm. All of the necessary forms and instructions can be found on the website.

Types of projects	Specific activity & Classification	Type of ROF process required	DOLA form(s)	Publication required
A. Financing Mechanisms	Acquisition	<i>Tiered:</i> 1. Categorically Excluded Projects ----- 2. Environmental Assessment (EA) for redevelopment	Exhibit IV-B Categorically Excluded Projects, Statutory Checklist Exhibit IV-C Instruction and Information on Completion of the Statutory Checklist ----- Exhibit IV-H (EA Form) http://dola.colorado.gov/dlg/fa/cdbg/docs/guidebook/PF05ENVEXH-H.pdf Exhibit IV-I Environmental Assessment Checklist http://dola.colorado.gov/dlg/fa/cdbg/docs/guidebook/PF05ENVEXH-I.pdf Exhibit IV-J Environmental Assessment Instructions http://dola.colorado.gov/dlg/fa/cdbg/docs/guidebook/PF05ENVEXH-J.pdf Exhibit IV-K Combined Notice of Finding of No Significant Impact and Intent to Request Release of Funds Samples for Publication http://dola.colorado.gov/dlg/fa/cdbg/docs/guidebook/PF05ENVEXH-k.pdf	* 1. No publication necessary for Exempt or Categorically Excluded projects (unless something is triggered in checklist) ----- **2. When EA is completed, grantee must publish a Combined Notice Publication of Combined Notice is followed by a 30-day comment period (15 day local + 15day statewide)
B. Purchase and Rehabilitation	Acquisition	Categorically Excluded Activities subject to CFR 58.5	Exhibit IV-B Categorically Excluded Projects, Statutory Checklist Exhibit IV-C Instruction and Information on Completion of the Statutory Checklist	*See #1

	Rehabilitation and Resale	<i>Tiered for multiple single-family units:</i> 1. Categorically Excluded Projects subject to CFR 58.5 ----- 2. Individual Clearance Form	Exhibit IV-B Categorically Excluded Projects, Statutory Checklist Exhibit IV-C Instruction and Information on Completion of the Statutory Checklist ----- Exhibit IV-M Individual Housing Unit Final Environmental Clearance Form http://dola.colorado.gov/dlg/fa/cdbg/docs/guidebook/PF05ENVEXH-M.pdf	*See #1 ----- *See #1
	Homeownership assistance	Tiered for multiple single-family units: 1. Categorically Excluded Activities Not Subject to CFR 58.5 ----- 2. Individual Checklist	Exhibit IV-B Categorically Excluded Projects, Statutory Checklist Exhibit IV-C Instruction and Information on Completion of the Statutory Checklist ----- Exhibit IV-M Individual Housing Unit Final Environmental Clearance Form	*See #1 ----- *See #1
	Housing counseling	Exempt	Exhibit IV-A Finding of Exemption	Not required

Types of projects	Specific activity & Classification	Type of ROF process required	DOLA form(s)	Publication required
C. Land Banking	Acquisition	Categorically Excluded Activities Subject to CFR 58.5	Exhibit IV-B Categorically Excluded Projects, Statutory Checklist; and Exhibit IV-C Instruction and Information on Completion of the Statutory Checklist	*See #1
D. Demolition	Clearance (if re-dev, subject to full EA)	Categorically Excluded Activities Subject to CFR 58.5	Exhibit IV-B Categorically Excluded Projects, Statutory Checklist; and Exhibit IV-C Instruction and Information on Completion of the Statutory Checklist	*See #1
E. Redevelopment	Acquisition	Categorically Excluded Activities subject to CFR 58.5	Exhibit IV-B Categorically Excluded Projects, Statutory Checklist; and Exhibit IV-C Instruction and Information on Completion of the Statutory Checklist	*See #1

	Housing Counseling for prospective homebuyers of redeveloped properties	Exempt	Exhibit IV-A Finding of Exemption	Not required
	New construction (an individual action on a 1-4 family dwelling or an individual action on a project of 5 or more units developed on scattered sites when the sites are more than 2,000 feet apart and there are not more than four units on any one site.)	Categorically Excluded Activities subject to CFR 58.5	Exhibit IV-B Categorically Excluded Projects, Statutory Checklist; and Exhibit IV-C Instruction and Information on Completion of the Statutory Checklist	*See #1
	New construction	full EA	Exhibit IV-H EA Form Exhibit IV-I Environmental Assessment Checklist Exhibit IV-J Environmental Assessment Instructions Exhibit IV-K Combined Notice of Finding of No Significant Impact and Intent to Request Release of Funds Samples for Publication	*See #1
	Direct homeownership assistance	Tiered for multiple single-family units: 1. Categorically Excluded Activities Not Subject to CFR 58.5 ----- 2. Individual Checklist	Exhibit IV-A-1 Finding of Exemption of Categorically Excluded Activities Not Subject to CFR 58.5 ----- Exhibit IV-M-1 Individual Categorical Excluded Activity Environmental Clearance Form	*See #1 ----- *See #1
F. Administration	NSP program administration	Exempt	Exhibit IV-A Finding of Exemption	Not required

* NOTE: Tiered activities allow Grantee to seek reimbursement for a portion of NSP activity costs while a higher level of environmental review is being completed. Grantee may opt to forego the first activity and submit the highest level of ROF clearance.

The ROF Process

During the application process, the Grantee should consult with CDOH Developer to determine the level of environmental review required for NSP activities, along with the pre-award costs. Grantee will fill out applicable form from DOLA CDBG handbook and submit to their local certifying official. This document will then be sent to Tamra Hooper, Environmental Compliance Officer at DOLA tamra.hooper@state.co.us , who will then review and draft DOLA's ROF letter.